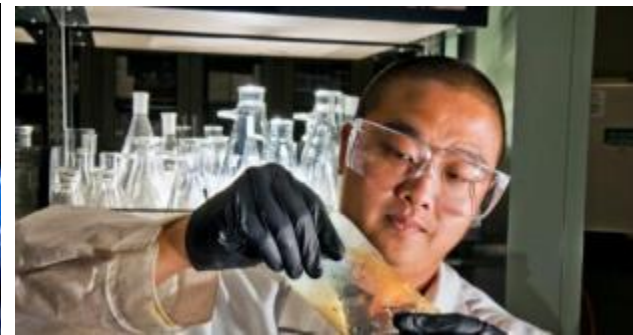


Exceptional service in the national interest



Sandia National Laboratories

An Overview

Bonnie Apodaca, Vice President, Business Operations & Chief Financial Officer

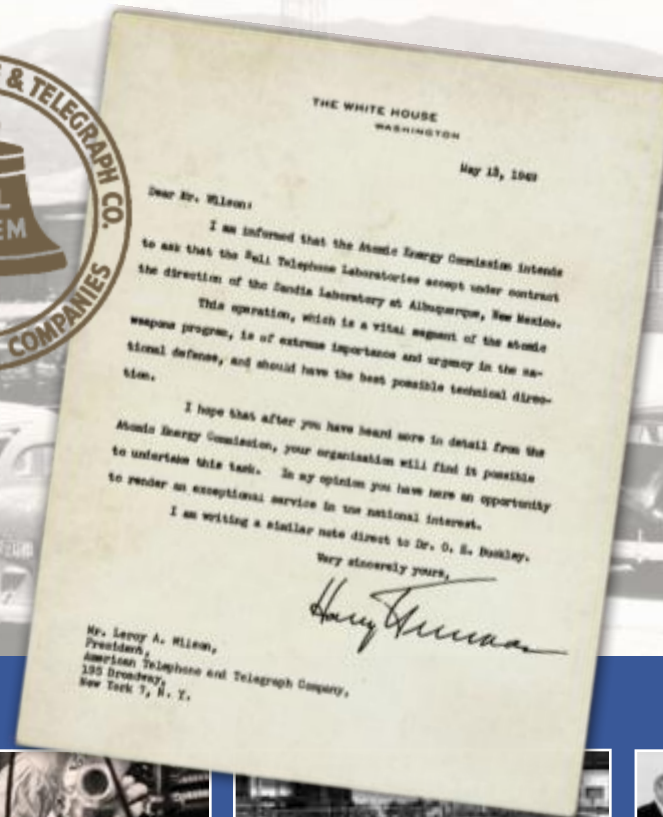
November 9, 2012



Sandia National Laboratories is a multi-program laboratory managed and operated by Sandia Corporation, a wholly owned subsidiary of Lockheed Martin Corporation, for the U.S. Department of Energy's National Nuclear Security Administration under contract DE-AC04-94AL85000.

Sandia's history

Exceptional service in the national interest



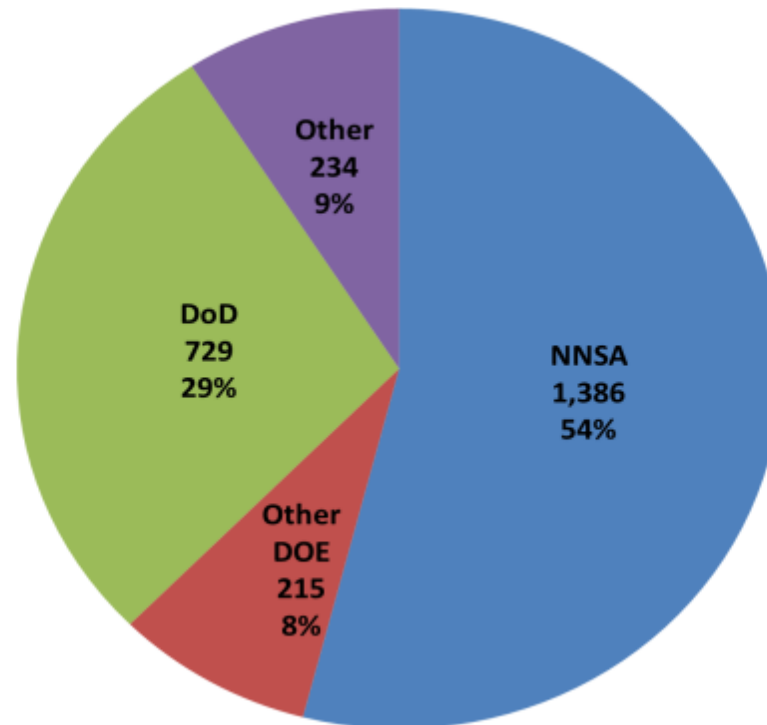
Primary mission areas

- Nuclear weapons
- Nonproliferation and international security
- Path finding research for broader national security
- Energy research



Operating Funding

- FY12 Operating Funding \$2,564M



FY13 Budget Outlook

- Current FY13 Revenue Outlook Slightly Below FY12
- Relative Stable Weapons Funding Program
- Posturing for Possible Sequestration
- Sandia Risk Mitigation Strategy to Address Sequestration:
 - Manage Workforce and Hiring at a Cautious Pace
 - Increase use of prior year carry-over funding
 - Reduce Cost (travel, non-labor expenses)

Commit to a learning, inclusive, and engaging environment for our people



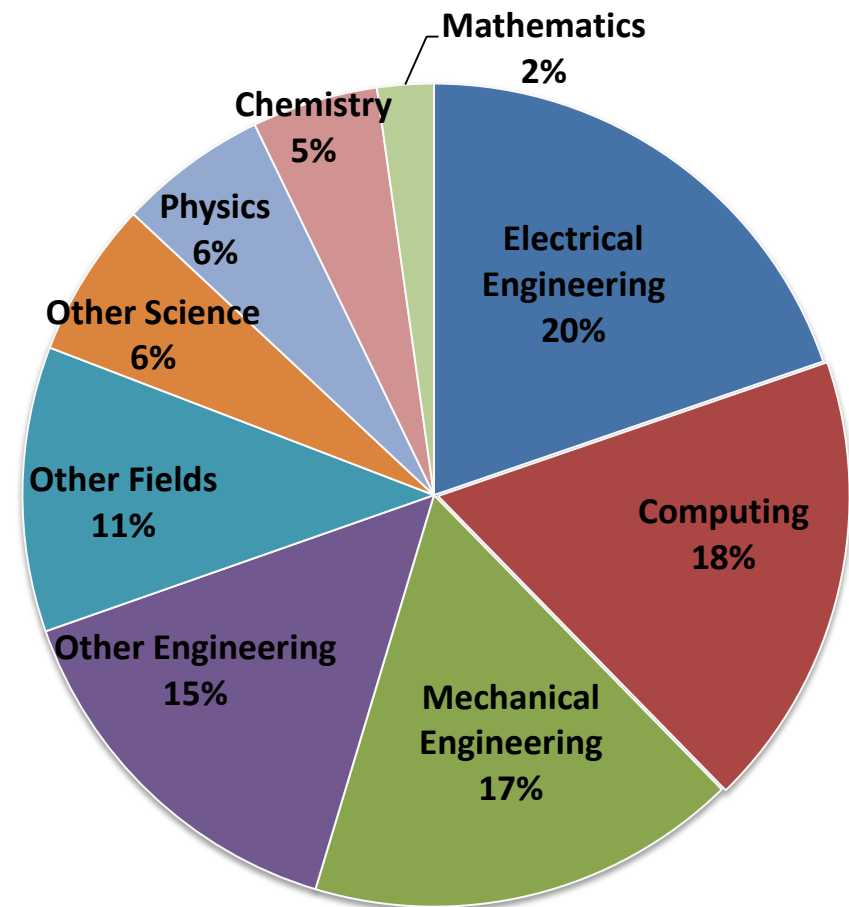
Our Workforce

- On-site workforce: 11,711
- Regular employees: 9,238
- Gross payroll: ~\$981 million

Data for FY12 through the end of September



R&D staff (4,682) by discipline



Sandia's diversity strategy is an institutionalized component of its strategic objectives

Focus areas and achievements of Sandia's Diversity Action Plan

- Pipeline & development
- Leadership commitment to and engagement in diversity
- Diversity mission imperative
- Labs-wide awareness of the significance of diversity at all levels

Dedicated leadership to Sandia's Diversity and Inclusion Program:

- Executive Champions
 - Kimberly Sawyer, Deputy Labs Director & EVP for Mission Support
 - Pam Hansen-Hargan, VP, Human Resources & Communications
 - Elizabeth Krauss, VP, General Counsel, Corporate Secretary
- Chief Diversity Officer & Executive Diversity Council
 - Esther Hernandez, Senior Manager
 - Director-level representative from every Division

Outreach committees at Sandia

- Contribute to Sandia's efforts to build a diverse and inclusive work environment.
- The outreach committees supplement the regular recruiting function.
- Through the outreach activities, a nationwide network of professionals has been established to facilitate locating and referring potential candidates.
- Newly established Military Support Committee



Statistics of diversity



Our people's contributions are recognized



HENAAC Awards

Hispanic Engineer National Achievement Award Corporation

- | | | | |
|-------------|-------------------------------------------------------------------------------------------|-------------|-------------------------------------------------------------------------|
| 2012 | Steven P. Castillo , Engineer of the Year | 2003 | Maria Galaviz , Most Promising Engineer,
Undergraduate Degree |
| 2011 | Guadalupe Arguello , Civil Engineering | 2001 | Alfredo M. Morales , Most Promising Scientist |
| 2010 | Anthony Medina , Luminary | 2000 | Frank Figueroa , Excellence |
| | Angel Urbina , Most Promising
Engineer/Scientist, Graduate Degree
(Doctoral) | 1999 | Miguel G. Robles |
| 2009 | Tom Paez , Outstanding Technical Achievement | 1998 | J. Leonard M. Martinez , Executive Excellence |
| | Carlos Gutierrez , Professional Achievement | 1997 | James M. Chavez , Professional Achievement |
| | Regina Griego , Role Model of the Week | 1996 | Dan Arvizu , Executive Excellence |
| 2008 | Ron Moya , Pioneer | | Jim Pacheco , Outstanding Technical Achievement |
| 2007 | Juan Torrez , Pioneer | 1995 | Robert A. LaFarge , Community Service |
| | Monica Martinez-Canales , Luminary | | Albino C. Bustamante , Professional Achievement |
| 2006 | Rafael Davalos , Most Promising Engineer or
Scientist Advanced Degree | 1994 | Tamara Ulibarri , Most Promising Scientist |
| 2005 | Jamie Moya , Professional Achievement | | Jose Louis Rodriguez , Outstanding Technical
Achievement |
| 2004 | Juan Ramirez , Albert V. Baez Award | | Nestor Ortiz , Professional Achievement |
| | Robert Longoria , Luminary | | |

Sandia's scholarship and tuition assistance programs

The Masters Fellowship Program is specifically designed for minority participation and advancement. The other programs are part of our general portfolio of learning and advancement.

New Mexico Site FY11 Participation Rates

Program	Minority Participation	Hispanic Participation
Masters Fellowship Program	100%	53%
Training and Development Courses	32%	23%
Tuition Assistance Program	48%	39%
Doctoral Studies Program	60%	40%
Special Masters Program	33%	17%
University Part-Time Program	25%	19%
Trades Trainee Program	71%	43%

Hispanic Utilization Benchmarked to Availability

Job Category	SNL-NM Utilization	Market Availability
Scientific and Engineering Professionals <small>Hispanics 14% of FY12 hires</small>	13%	4-6%
Other Professionals <small>Hispanics 25% of FY12 hires</small>	32%	6-9%
Technicians <small>Hispanics 31% of FY12 hires</small>	30%	28-33%
Administrative Support Workers <small>Hispanics 43% of FY12 hires</small>	45%	42%

Hispanics are 24% of the NM site workforce. In FY12, 36% of Sandia NM hires were minority, with 26% Hispanic.

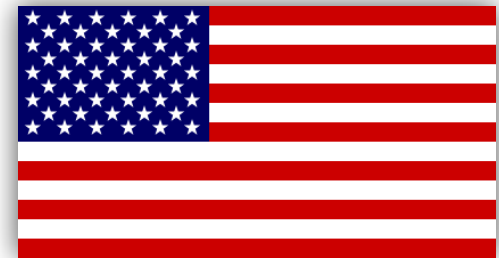
Sandia has a strong impact on the New Mexico business environment



Sandia's FY12 procurement economic impact on the nation and New Mexico is significant

National impact

- Total contract-related payments: \$896,294,000
- Total small business payments: \$472,732,000
(or 53% of total contract-related payments)
- Other than small business payments: \$423,562,000
- Procurement card purchases: \$65,150,000



New Mexico impact

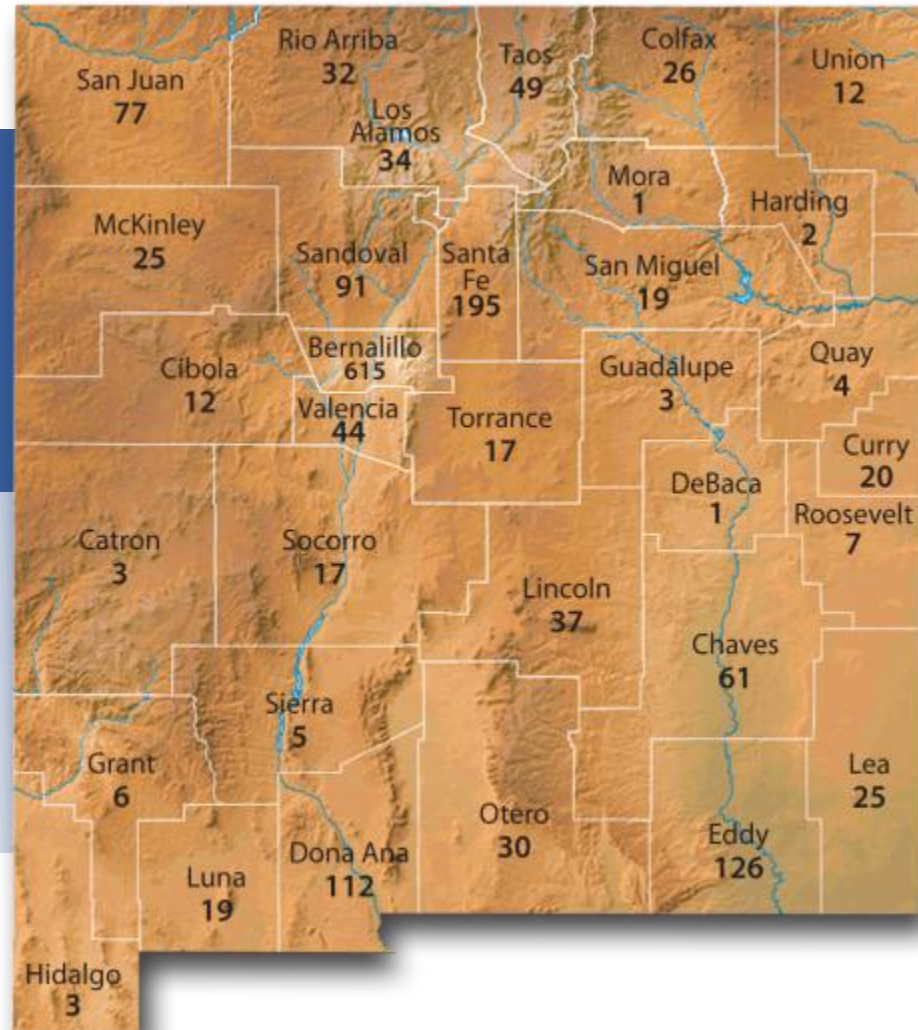
- Total NM contract-related payments: \$401,992,000
(or 45% of total National contract-related payments)
- Total NM small business payments: \$255,920,000
(or 64% of total NM contract-related payments)
- Other than small business payments: \$146,072,000
- Procurement card purchases: \$11,407,000



Note: The amounts in dollars represent actual dollars spent (rounded) in FY 2012

NMSBA has served every county in New Mexico

1736 businesses assisted from 2000–2010



Community outreach Science Technology Engineering and Math programs

Inspiring the next generation of scientists and engineers

- Family Science Nights
- Family Math Nights
- CroSSLinks science volunteers, classroom presenters, Science Fair judges
- MANOS, Dream Catchers, and Hands-on, Minds-on Technologies
- DOE regional Science Bowls – middle school and high school
- New Mexico Hydrogen Fuels Challenge
- STAR High School Fellows
- Supporting math and science teacher professional development
- National Museum of Nuclear Science and History



Exceptional service to the community

- **United Way 2012 Campaign**
 - First corporation to achieve \$5M
 - 72% participation rate
- **Lockheed Martin donations to nonprofit organizations – \$1.4 M**
- **Volunteerism**
 - Volunteer Hours – over 100,000/year
 - Completed 12th Habitat for Humanity House

